



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 14, 1998

### **H.R. 2652** **Collections of Information Antipiracy Act**

*As ordered reported by the House Committee on the Judiciary on March 24, 1998*

CBO estimates that enacting this legislation would have no significant impact on the federal budget. While the bill could lead to increases in both direct spending and receipts, the amounts involved would be less than \$500,000 a year. Because H.R. 2652 could affect direct spending and receipts, pay-as-you-go procedures would apply.

H.R. 2652 would attempt to protect substantial investments made in the collecting of information or the establishing of databases with commercial value. The legislation generally would prohibit the misappropriation of a substantial portion of such information in a way that would decrease its potential market value. Violators of the bill's provisions would be subject to a criminal fine, imprisonment, or civil action.

Because H.R. 2652 would establish a new federal crime, CBO anticipates that the U.S. government would be able to pursue cases that it otherwise would be unable to prosecute. Based on information from the Department of Justice, however, we do not expect the government to pursue many additional cases. Thus, CBO estimates that enacting the bill would not have a significant impact on the cost of federal law enforcement activity. Implementing the bill also could increase costs to the federal courts if more civil suits are filed by private parties, but we do not expect many additional cases. Any additional costs to federal law enforcement agencies or to the federal courts would be subject to the availability of appropriated funds.

Enacting H.R. 2652 could increase governmental receipts from fines, but we estimate that any such increase would be less than \$500,000 annually. Criminal fines are deposited as revenues in the Crime Victims Fund and spent in the following year. Thus, any change in direct spending from the fund would match the increase in revenues with a one-year lag.

H.R. 2652 would impose an intergovernmental mandate as defined in the Unfunded Mandates Reform Act of 1995 (UMRA), because it would preempt state laws regarding the protection of collections of information. However, CBO estimates that complying with this mandate would not have a significant impact on state budgets. The bill contains no private-sector mandates as defined in UMRA.

The CBO staff contacts for this estimate are Mark Grabowicz (for federal costs), and Pepper Santalucia (for the state and local impact). This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.